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NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION

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Surface Transportation Board

CN-EJ&E EIS - FD-35087

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January 31, 2008

Ms. Victoria J. Rutson
Chief of the Section of Environmental Analysis
Surface Transportation Board
395 E Street, Southwest
Room 1106
Washington, D.C. 20423

RE: Finance Docket No. 35087, Canadian National Railway Company and Grand Trunk Corporation – Control - Elgin, Joliet, and Eastern Railway West Company

Dear Ms. Rutson:

The Northwestern Indiana Regional Planning Commission (NIRPC) writes today to comment on the Section of Environmental Analysis' (SEA) draft scope for the Environmental Impact Statement (EIS) for Finance Docket No. 35087, Canadian National Railway Company and Grand Trunk Corporation (CN) – Control – Elgin, Joliet, and Eastern Railway West Company (EJ&E).

NIRPC is a Council of Governments (COG) and the designated Metropolitan Planning Organization (MPO) for Lake, Porter and LaPorte Counties in Northwestern Indiana. The NIRPC Board is comprised of 52 elected local government officials from the three counties plus one State legislator appointed by the Governor of Indiana. The Commission or Executive Board meet monthly to discuss, plan for opportunities, and act to support mutually beneficial transportation, environmental and economic development proposals and projects.

In recent years, NIRPC has cooperated with other regional agencies to promote a number of regional goals. These include providing more modal choices for commuter transit and air travel, providing more transit- and air-oriented economic development, increasing the number and quality of jobs available to the region's residents, improving the region's air quality by reducing ozone and PM_{2.5} emissions, and reducing congestion and improving safety on the region's roadways and at-grade crossings. NIRPC is also concerned with the viability of the freight and passenger systems in our region.

NIRPC strongly opposes the STB approval of the CN purchase of the EJ&E because it believes that the transaction would have a negative impact on three important ongoing initiatives for this region:

- 1) **It would impede the expansion of the South Shore Commuter Rail Line service, which would provide commuter train service to citizens in the southern areas of Lake and Porter Counties.** This initiative has wide support in the region and a funding plan is currently being considered in the General Assembly. The service expansion would provide commuters with expanded and improved mass transit options, reduce the number of single occupancy vehicles on the roadways, lower emissions and improve air quality, provide access to new and better paying jobs in northwest Indiana and to higher-paying jobs in the Chicago region, and promote new transit-oriented development along the new service lines. These benefits are recognized and encouraged in the Safe, Accountable, Flexible, and Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU) and in previous national transportation acts. CN has not been willing to negotiate with the Northern Indiana Commuter Rail District (NICTD) for a right-of-way on existing CN track to make this expansion a reality. Once the EIS and the transaction are completed, CN would have no incentive to consider or help to implement projects with significant transportation, environmental and economic benefit to our region. In not being willing to negotiate an agreement with NICTD, the CN is indicating that it is not willing to be a cooperative transportation partner in this region.
- 2) **It would impede the expansion of the Gary-Chicago International Airport which would provide more air passenger travel opportunities to the citizens of the region and encourage air-related and intermodal economic development opportunities.** This initiative would open major economic development opportunities and create new jobs for northwestern Indiana. The EJ&E has stalled negotiations for the relocation of the EJ&E tracks along the western edge of the airport parallel to Cline Avenue with the airport and other stakeholders for many years. Once the EIS is completed and the transaction is approved, CN expects an increase of train traffic on this line and would have no incentive to negotiate with the airport in the future. The CN must become a cooperative partner in helping to make the Gary-Chicago International Airport expansion a reality.
- 3) **It would impede the progress this region has made in reducing traffic congestion and improving safety at grade-crossings and improvements to air quality.** After many years of being in non-attainment for ozone and PM_{2.5}, northwest Indiana has made steady progress in reducing auto emissions and improving air quality. However, increased train traffic at nearly all CN and EJ&E grade-crossings would increase the time automobiles would wait at crossings, which would set back our progress in meeting federally-designated air quality standards. Over time, more trains and more vehicles means longer wait times and higher emissions from idling cars.

We understand and appreciate that the scope of study for the EIS is for a three-year time period only and it will include a study of environmental issues directly related to the operations and construction involved in this transaction. At the public meetings hosted by the STB, maps were exhibited showing that most communities, i.e. those not currently on the EJ&E line, will experience a decrease in train traffic but communities on the lines currently owned by EJ&E will experience a marked increase in train traffic after the transaction. CN would most likely complete its construction phase after three years and it has repeatedly stated that it expects an increase of train traffic nationwide after the Prince Rupert Port is operating at full capacity. National studies have repeatedly forecast that all freight traffic, including rail traffic, will dramatically increase during the next 20 years due to global economic trends. Therefore, there are probably a number of communities that will experience an increase of train traffic in the long-

Ms. Victoria J. Rutson

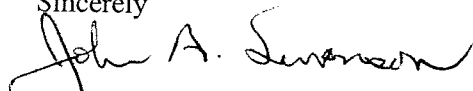
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run regardless of the current published three-year estimates. Of course, by then the transaction would already be complete and there would be no further opportunities for local communities and regional stakeholders to communicate with and seek relief from CN about their concerns or needs. What is the expected train traffic and impact in 10 or 20 years? **We believe that this short-term study is inadequate and that a longer term study of impacts would be more realistic for the nation and local communities.** Feasible options for investigating impacts have to be identified beyond the three-year immediate future. The CN should be willing to make its intrusion into communities more tolerable. Mitigation of negative impacts should be included in the true cost of the proposed acquisition.

This study and transaction, if approved, should result in identifying and promoting opportunities to improve the transportation system, the environment and local and regional economic development. CN is a profit-making enterprise and is accountable mostly to its stockholders, and we understand that all railroads pay taxes to the US government. However, there is a cost of doing business that is not paid by CN, but paid for by the communities and regions in which it operates its business. Northwest Indiana and its communities pay the costs of increased traffic congestion; higher risks of injury and death at grade crossings; higher risks to health and life from hazardous cargo spills; damage to homes and businesses from increased vibrations; risks to health from noise and air pollution and from delayed emergency access; social impacts from the partitioning of neighborhoods; lost improvements to and higher risks to the environment; and lost economic development opportunities. Because the cost of CN doing business is shared by the communities in which it operates, we urge the STB to recommend and **create a process for better communication with CN and to propose a funding mechanism which would match local and/or regional funding for projects** that would improve the transportation system, the environment and economic conditions so that this transaction, if approved, would help to create a better quality of life for all.

Thank you for your serious consideration of these issues. We look forward to working with the SEA as the environmental review proceeds.

Sincerely



John A. Swanson

Executive Director

Cc: Senator Richard Lugar
Senator Evan Bayh
Representative Peter Visclosky
Representative Joseph Donnelly
Keven Soucie, CN